

Bifurcation of SAIL Plants

483. SHRI JIBON ROY: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the US consultancy firm Mckinsey has recommended the bifurcations of SAIL plants in two companies for long and flat products;

(b) whether his Ministry has accepted the said recommendations; and

(c) whether it is also a fact that neither his Ministry nor SAIL has made any techno-economical evolution before accepting the recommendation?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) No, Sir. The US consultancy firm M/s Mckinsey & Co. has not recommended bifurcation of SAIL Plants into two separate companies.

(b) and (c) Do not arise in view of (a) above.

Withdrawal of "Navaratna" Status of SAIL

484. SHRI K. RAMA MOHANA RAO: Will the Minister of STEEL be pleased to state:

(a) whether Government are considering to withdraw the "Navratna" status conferred on SAIL;

(b) if so, the reasons for such withdrawal;

(c) whether the Group of Ministers which has been constituted to look into this has submitted its report; and

(d) if so, what are the recommendations of the Group of Ministers?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) to (d) Government had considered the proposal of Department of Public Enterprises outlining procedure for making addition/deletion to the list of Navratna / Miniratna Public Undertakings. It was decided that Group of Ministers may first take a view on this proposal who has not yet considered the same.

Dismantling of RMD Division by SAIL

485. SHRI JIBON ROY: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that SAIL has decided to dismantle its RMD division and transfer mines to different Steel Plants;

(b) if so, the reasons therefor; and

(c) if not, why number of iron ore mines which were so long controlled by RMD are transferred to steel plants?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) to (c) The restructuring plan of Steel Authority of India Limited approved by Government, among business restructuring measures includes, a change from the present functional structure to a strategic business unit (SBU) structure. In the proposed SBU structure, Rourkela Steel Plant and Bokaro Steel Plant will be part of Flat Products SBU, and Durgapur Steel Plant and Bhilai Steel will be part of Long Products SBU and the mines are to be placed directly under the SBUs, based on geographical location. Under the SBU structure, there will be no need for a separate Raw Materials Division. The blueprint of the SBU structure prepared by a Board Sub-Committee of SAIL has been circulated to the SAIL Board. No final decision has so far been taken.

Decline in Production of Public Sector Steel Plants under SAIL

486. SHRI VEDPRAKASH P. GOYAL: Will the Minister of STEEL be pleased to state:

(a) whether there is a decline in production in all the public sector steel plants under the Steel Authority of India Ltd., during the last three years;

(b) if so, the reasons therefor;

(c) whether SAIL has any proposal to plug the loopholes and to increase the production in coming years; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) and (b) Saleable steel production of SAIL declined in 1997-98 as the production had to be regulated due to sluggish market conditions. Saleable steel production picked up in 1999-2000 with 10% growth over previous year with improvement in market. The production during 2000-01 (upto January, 2001) has further increased by 3% over same period last year.

(c) and (d) The increase in production in coming years is dependent on market conditions.